

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Oppose

BILL NUMBER: SB 499
AUTHOR: D. Ducheny

BILL SUMMARY: Report on Managed Care Admin.Fines/Penalties Fund

This bill would require the Managed Risk Medical Insurance Board, beginning March 1, 2010, to annually report to the Legislature on: (1) the receipt and use of monies transferred from the Managed Care Administrative Fines and Penalties Fund to the Major Risk Medical Insurance Fund; and (2) the impact of these funds on the waiting list for the Major Risk Medical Insurance Program.

FISCAL SUMMARY

The workload associated with providing the proposed reports would be minor.

COMMENTS

The Department of Finance opposes this bill because it is unnecessary since similar information as proposed is already available on the board's website as public information.

Existing law requires that beginning September 1, 2009, that any amount over the first \$1.0 million deposited into the administrative fines fund be transferred for use by the Major Risk Medical Insurance Program. The program provides health insurance for Californians unable to obtain coverage in the individual health insurance market because of their pre-existing conditions. Californians qualifying for the program participate in the cost of their coverage by paying premiums. The State of California supplements those premiums to cover the cost of care in the program. Tobacco tax funds currently subsidize the program. To be eligible for the program, an individual must be a resident, cannot be eligible for both Part A and Part B of Medicare, unless they are eligible solely because of end-stage renal disease, cannot be eligible to purchase any health insurance for continuation of benefits under Cobra or CalCobra, and must be unable to secure adequate coverage. The program is not an entitlement, and sometimes has a waiting list.

Analyst/Principal (0562) M. Aguilera	Date	Program Budget Manager Lisa Ann L. Mangat	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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	SO	(Fiscal Impact by Fiscal Year)							
Code/Department	LA	(Dollars in Thousands)							
Agency or Revenue	CO	PROP						Fund	
Type	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	Code
4280/Managed Risk	SO	No	-----	No/Minor	Fiscal Impact	-----			0001
4280/Managed Risk	SO	No	-----	No/Minor	Fiscal Impact	-----			0890
<u>Fund Code</u>	<u>Title</u>								
0001	General Fund								
0890	Trust Fund, Federal								